

## **FISCAL NOTE**

### **SB 1152 - HB 1204**

March 27, 2007

**SUMMARY OF BILL:** Enacts the "Tennessee Tollway Act." Authorizes the Tennessee Department of Transportation (TDOT) to develop and operate tollway or toll facility projects within the state. Creates the "State Tollway Account (STA)" within the Highway Fund to defray costs associated with the development and operation of tollways or toll facilities. Requires the STA to be funded with toll revenues, revenues or funds appropriated to it by the General Assembly, any federal funding received, and interest and earnings. Authorizes the State Funding Board to issue bonds for the purpose of financing capital construction costs for any such tollway facility project. The Commissioner of TDOT shall promulgate and enforce all regulations as appropriate to carry out the provisions of this act. Establishes a Class C misdemeanor for any person that uses a tollway facility without paying the required toll.

#### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – The fiscal impact of this bill is relative to the period of time considered. Over long periods of time (typically 20 to 30 years), the type of capital projects identified in this bill are expected to be revenue generators for the state or self-supporting at a minimum in that revenues would offset expenses incurred. Over shorter periods of time (1 to 5 years), state expenditures are expected to increase significantly relative to any increase of state revenues. Determining the extent of such shorter-term impacts is dependent upon several unknown factors such as the number of projects that will be undertaken, the scope and timing of such projects, the extent of funding acquired by the state as the result of any subsequent bond issues or federal funding, and toll revenue expectations. As a result, determining a precise fiscal impact for this bill is difficult. However, the increase to state expenditures is reasonably expected to exceed any increase of state revenues by \$1,000,000 or more in each of the first three years for any such project undertaken.**

Assumptions:

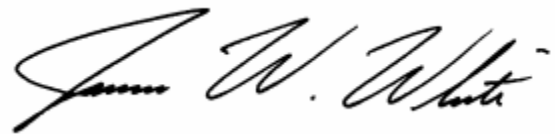
- The State Funding Board is responsible for the administration of all debt incurred as a result of bonds issued for the purpose of

financing capital construction costs for any such related tollway project or tollway facility.

- TDOT is responsible for the construction and maintenance of tollway projects and/or tollway facilities, the collection of and accounting for toll revenues, and the management and operations of such projects and/or facilities.
- All bond issues are secured exclusively by future tollway revenues; not the general obligation pledge of the state.
- 100% of debt service on related bonds is paid with funds deposited to the State Tollway Account.
- Additional expenses incurred by the State Funding Board are reimbursed from State Tollway Account funds.
- Administrative costs for TDOT to manage and operate any such project and/or facility are funded with State Tollway Account funds.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director